

ANNUAL BUDGET OF

MAGARENG LOCAL MUNICIPALITY

2012/13 TO 2014/14
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	HSRC	Human Science Research Council
ASGISA	Accelerated and Shared Growth Initiative	IDP	Integrated Development Strategy
BPC	Budget Planning Committee	IT	Information Technology
CBD	Central Business District	kℓ	kilolitre
CFO	Chief Financial Officer	km	kilometre
CM	Town Manager	KPA	Key Performance Area
CPI	Consumer Price Index	KPI	Key Performance Indicator
CRRF	Capital Replacement Reserve Fund	kWh	kilowatt
DBSA	Development Bank of South Africa	ℓ	litre
DoRA	Division of Revenue Act	LED	Local Economic Development
DWA	Department of Water Affairs	MEC	Member of the Executive Committee
EE	Employment Equity	MFMA	Municipal Financial Management Act Programme
EEDSM	Energy Efficiency Demand Side Management	MIG	Municipal Infrastructure Grant
EM	Executive Mayor	MMC	Member of Mayoral Committee
FBS	Free basic services	MPRA	Municipal Properties Rates Act
GAMAP	Generally Accepted Municipal Accounting Practice	MSA	Municipal Systems Act
GDP	Gross domestic product	MTEF	Medium-term Expenditure Framework
GDS	Gauteng Growth and Development Strategy	MTREF	Medium-term Revenue and Expenditure Framework
GFS	Government Financial Statistics	NERSA	National Electricity Regulator South Africa
GRAP	General Recognised Accounting Practice	NGO	Non-Governmental organisations
HR	Human Resources	NKPIs	National Key Performance Indicators
		OHS	Occupational Health and Safety

OP	Operational Plan	RG	Restructuring Grant
PBO	Public Benefit Organisations	RSC	Regional Services Council
PHC	Provincial Health Care	SALGA	South African Local Government Association
PMS	Performance Management System	SAPS	South African Police Service
PPE	Property Plant and Equipment	SDBIP	Service Delivery Budget Implementation Plan
PPP	Public Private Partnership	SMME	Small Micro and Medium Enterprises
PTIS	Public Transport Infrastructure System		

Part 1 – Annual Budget

1.1 Mayor's Report

In his Budget Speech to Parliament on 17 February 2010, the Minister of Finance said: "We cannot expect to do the same old things and expect different results". In the past three years, the world economy has gone through its deepest recession in over 70 years. Signals are that the recovery is still fragile and many commentators caution that current positive economic trends may be short-lived and that the world economy may yet experience a second recessionary wave. MAGARENG LOCAL MUNICIPALITY was in no way immune to the harsh economic realities associated with the recession. Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things declining collection rates; historic expenditure patterns and a general lack of "doing business smarter".

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the MAGARENG LOCAL MUNICIPALITY. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Town's financial plan is essential and critical to ensure that the Town remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

FULL MAYORAL BUDGET SPEECH WILL BE AVAILABLE WITH THE FINAL BUDGET.

1.2 Council Resolutions

On March 2012 the Council of MAGARENG LOCAL MUNICIPALITY Local Municipality met in the Council Chambers of MAGARENG LOCAL MUNICIPALITY to consider the annual draft budget of the municipality for the financial year 2012/13. The Council approved and adopted the following resolutions:

1. The Council of MAGARENG LOCAL MUNICIPALITY, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual draft budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) Budgeted Financial Performance (revenue by source and expenditure by type) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source

- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position
 - 1.2.2. Budgeted Cash Flows Cash backed reserves and accumulated surplus reconciliation Asset management
- 1.2.3. Basic service delivery measurement
2. The Council of MAGARENG LOCAL MUNICIPALITY Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:
 - 2.1. the tariffs for property rates – as set out in the list of tariffs,
 - 2.2. the tariffs for electricity – as set out in list of tariffs
 - 2.3. the tariffs for the supply of water – as set out in list of tariffs
 - 2.4. the tariffs for sanitation services – as set out in list of tariffs
 - 2.5. the tariffs for solid waste services – as set out in list of tariffs
3. The Council of MAGARENG LOCAL MUNICIPALITY Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012 the tariffs for other services, as set out in list of tariffs.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Town's financial plan is essential and critical to ensure that the Town remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Town's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, national travel, accommodation, and catering.

The Town has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 51 and 54 were used to guide the compilation of the 2011/12 MTREF.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

- The increased cost of bulk water and electricity (due to tariff increases from Vaalharts Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2011/12 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- The 2011/12 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/13 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

1.3.1. Introduction

Magareng Municipality is situated in the Northern Cape and lies within the boundaries of the Frances Baard District municipality. The area of jurisdiction is approximately 1,54km² in extent and accommodates approximately 21,744 people. According to the census 2001 27,8% of the total workforce is unemployed while 46,7% is not economically active. This implies that only 25.6% of the workforce is employed. Due to the high unemployment rate the municipality currently have +- 2,500 registered indigent households.

The direct impact of the high unemployment rate is a poor debtor payment percentage causing Magareng Municipality to experience cashflow problems. A major increase in the debtor payment percentage is needed to ensure that all budget revenue is collected. It is imperative that strict credit control is enforced to ensure the Municipality has the necessary resource for optimal service delivery.

1.3.2 Personnel

For the original 2011/2012 budget, salaries amounted to 31.23% of the operating budget. The percentage for the 2012/2013 budget amounts to 26.79% of the budget and is therefore a decrease of 4.44% Provisions is made for a new position in the 2012/2013 budget. The position is as follows:

- IT OFFICER

In December 2010 a Gazette was distributed indicating increase in Council allowance (Gazette 33867, dated 10 Dec 2010) This had a major impact on the salary costs of Municipality and Magareng was no exception. When considering the increase in the allowance the following can be noted.

- | | |
|---|-------|
| ➤ Council Allowance as % of total operating budget: | 2.8% |
| ➤ Employees Salaries and allowance as % of total operating budget | 29.59 |

In the salary budget provision is made for a salary increase of 5.00%. The circular provides for a wage increase based on the average CPI for the period 1 February 2011 till 31 January. In terms of circular 58, municipalities are advised to budget 5%. As in previous years provisions are made for pension fund, as well as contributions for employees who are members of a Medical aid. Provisions are also made for contributions towards a councillor Pension Fund.

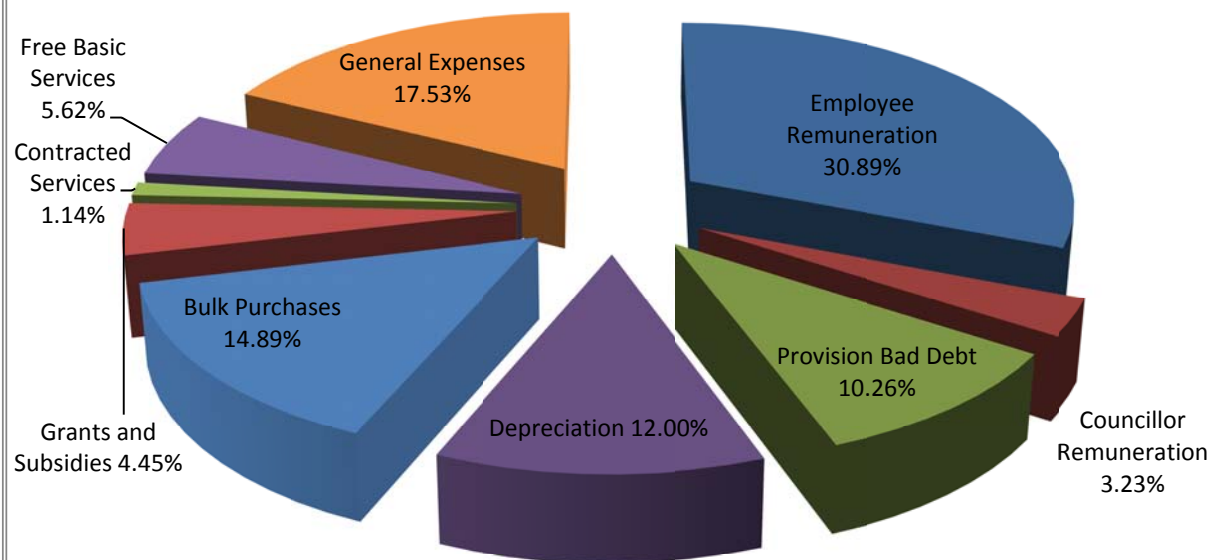
1.3.3 Summary of 2011/2012 Operating Expenditure

The approved original operating budget for 2010/2011 amounted to R58,311,720 and Municipalities are allowed according to National Treasury guidelines to increase their expenditure budget by + 6.0%. The main reasons for this increase is the increase on the following expenditure :

- 26.71% increase bulk purchase of electricity – Eskom
- 12% increase bulk purchase of water – Vaalharts Water
- 6.8% increase in salaries and provision for vacant posts
- Provision for depreciation on assets to the amount of R10,169,439
- Provision for payment outstanding Auditing General Fees of R600,000
- Provision for Compensation Commission R600,000
- Provision of free basic services to indigent households totalling R4,716,231 for the 2011/2012 financial year.

2012/2013 OPERATING EXPENSE PER TYPE	
Employee Remuneration	26 458 353
Council Remuneration	2 767 978
Provision Bad Dept	8 788 165
Depreciation	10 274 888
Repairs and Maintenance	-
Finance Charges	-
Bulk Purchases	12 750 000
Grants and Subsidies	3 808 000
Contracted Services	973 400
Contributions	-
Free Basic Services	4 813 044
General Expenses	15 011 250
Total	85 645 078

Apportionment of 2012/2013 Operating Expenses



1.3.3.3 Summary of 2012/2013 operating Revenue

The operational revenue budget for 2012/2013 amounts to R82, 610,098 and was compiled with the following increases on Rates. Tariffs and other revenue and other Revenue:

- 10.0% increase :Water
- 6.0% increase : Sewerage
- 19.82% increase : Electricity
- 6.0% increase : Refuse
- 12.79 increase in Equitable share allocation form R25,546.000 (2011/2012) to R28,704,000 (2012/2013)
- Property Rates : New valuation roll implemented from 1 July 2010
Approved new tariffs are:
 - Business : R0, 01654 per R value of Valuation
 - Residential : R0, 00992 per R value of Valuation
 - Agriculture : R0, 00041 per r value of Valuation

- The first R15,000 of all residential properties are exempted from being taxable.

Making the following assumptions of usage, the increase in tariffs will have the following effect:

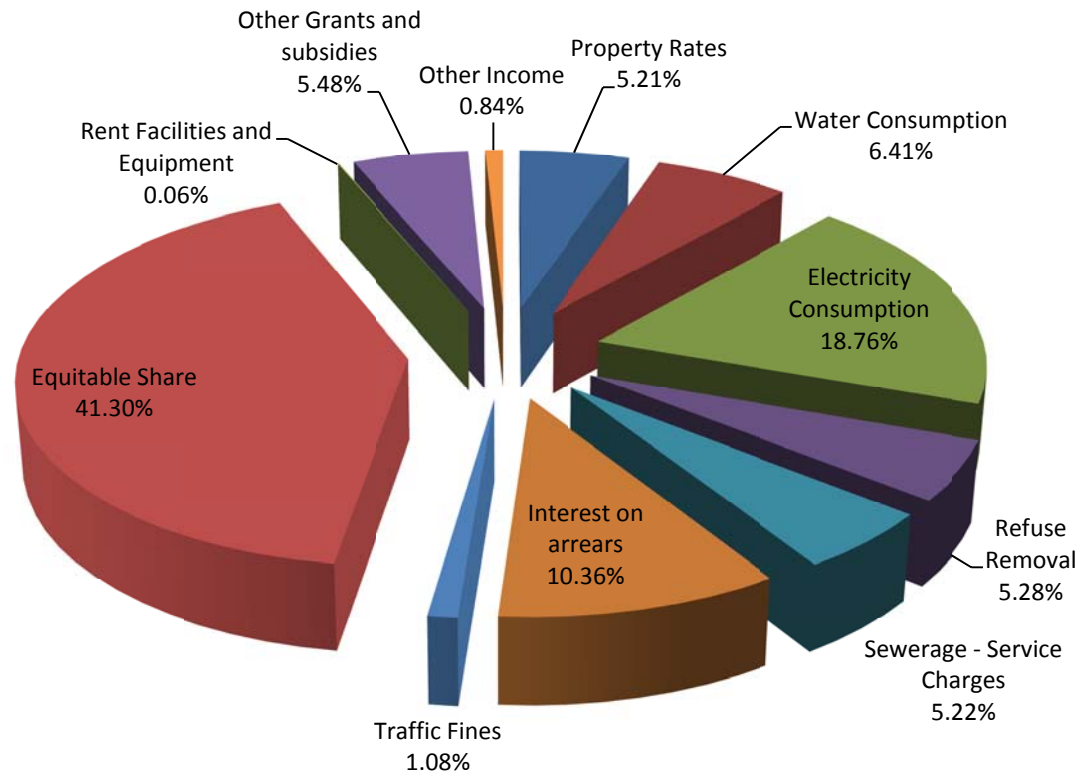
Current Tariff			New Tariff		Percentage Increase/ Decrease
Refuse removal		49.52		52.49	6.00%
Sewerage	Basic Charge	16.05		17.01	5.98%
	First Extraction	80.25		85.07	6.01%
Electricity :	Basic Charge	77.73		93.98	20.91%
	Consumption - 500kwh	445.30		436.45	-1.99%
Water :	Basic Charge	18.48		20.88	12.99%
	Consumption - 25kl	152.35		172.20	13.03%
Property rates :	Land	115.50	Property Rates: Market Value	121.28	5.00%
	Improvements	0.00			
		955.18		999.36	
	14% VAT	106.32		122.93	
		1		1	
Total account		061.50		122.29	5.73%

This means that an average consumer will pay +/- R60.79 more per month and that represents an increase of 60.79%. The reason for this low increase is the following:

1. Implementation of Inclining Block Tariffs for Electricity
2. Increase of 26.71% in electricity tariffs by Escom.

DRAFT 2012/2013 OPERATING REVENUE BY SOURCE		
Property Rates	099	3 619
Water Consumption	660	4 456
Electricity Consumption	060	13 042
Refuse Removal	176	3 670
Sewerage - Service Charges	250	3 625
Interest on arrears	000	7 200
Traffic Fines	000	750
Equitable Share	000	28 704
Rental Facilities and Equipment	000	45
Other Grants and subsidies	000	3 808
Other Income	853	581
Total		69 502 098

APPORTIONMENT OF 2012/2013 OPERATING REVENUE



1.3.4 Free Basic Services

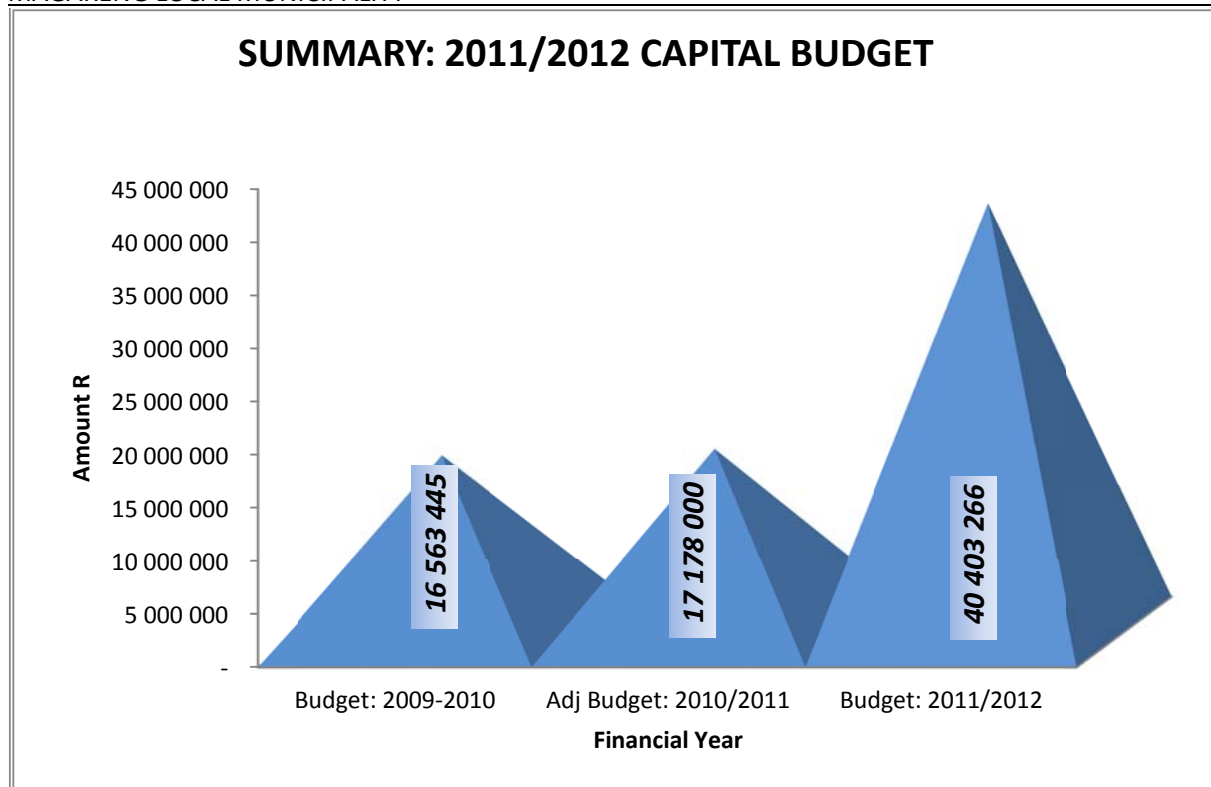
Provision is made in the 2010/2011 budget for the provision of free basic services to the value of R4,716,231 that consists of the following:

- Water : 6 Kilolitre per month for 2,325 indigent households – R919,032
- Sewerage :Free basic sanitation for 2,325 indigent households per month –R1,732,729
- Refuse Removal : free refuse removal for 2,325 indigent households per month –R1.464,471
- Electricity : 50 kwh per month for 2,235ndigent households – R600.000

1.3.5 Capital Budget

The approved capital budget for 2010/2011 amounted to R17,178,000 .The capital budget for 2011/2012 amounts to R40,403,266 That represants an increase of 13.46%.The major capital projects are as follows:

- Upgrading of Grave Roads and Stormwater Phase 2 –R19,175,073
- Relocating Sewer Purification Works Phase 1 – R18,749,820



1.3.6. IDP

The local government Municipal Systems Act ,No 32 of 2000 requires that each Municipality adopt a single ,inclusive strategic plan for the development of the area, which:

- Link, integrate and co-ordinate plans and take into account proposals for the development of the Municipal area.
- Align the resources and capacity of the municipality with the implementation of the plan .
- Forms the policy framework and general basis on which annual budgets must be based
- Complies with the provision of Chapter 5 of the said Act ,and
- Is compatible with National and Provincial development plans and planning requirements binding on the municipality in terms of legislation

The IDP (integrated development plan) is the single and inclusive planning document for the municipal area. It therefore does not only inform the municipal management but it is also supposed to guide the activities of any agency from the other spheres of government ,corporate service providers .NGO,s and the private sector within the municipal area.

Magareng Municipality started with the IDP review from October 2010 to March 2011.A number of processes were followed in completing the document as summarised below.

1. Compilation of draft by steering committee .co-ordinated by the IDP Manger and tabled to council for consideration before public comment.
2. Advertising of draft IDP for public comments:
3. Alignment with district council, National and Provincial policies and plans
4. Community participation from 2010 in all wards.
5. Draft IDP was tabled before Council on 31 March 2010 and submitted to MEC: Local Government and Housing.

Out of the community consultation processes, and Provincial priorities, the following Municipal-wide priority issues were identified for the 2011/2012 budget year.

Priority issue	Desired outcome
1. Performance system management	To have performance systems in place and stuff to sign performance charter
2. Bulk infrastructure development	To extend infrastructure to other areas and maintain the current one
3. Project management	Proper management of all project from start to end to ensure quality
4. Education Facilities	Provide extra schools to curb the overcrowding

	on the current schools,
5. Health Facilities	To render dignified service to our patient and treat them with respect
6. LED ,food security and job creation	To draw investment ,create jobs ,develop SMME'S and town marketing
7. Youth Development	To develop our youth to become employers tomorrow
8. Disaster management	To provide rapid response to disaster cha
9. Land distribution	To distribute land adequately to those who need it
10. Sports Recreational Facilities	To have recreational facilities to assist youth to come out of criminal activity;
11. Safety and security	To have a safe and secured environment where communities are able to live without fear;
12. Housing	To continue to provide housing units to those in need

In order for the municipality to achieve the required deliverables ,a proper assessment were done on the service delivery capacity of the municipality .From this assessment a number of restructuring strategies was adopted to assist in the improvement of service delivery .A short summary of these strategies follows:

➤ **Institutional Restructuring**

A new organisational structure was developed to consolidate management and to focus on effective and efficient delivery.

➤ **Community and development focused delivery**

An action plan was developed to ensure that communication both internally and externally are improved and that the ward committees start to act more pro – actively.

➤ **Skills development and employment equity.**

The municipality will ensure that institutional capacity is improved and that critical vacant positions such as electrician are filled as soon as possible

➤ **Citizen focused delivery**

Council have resolved to decrease the number of meetings and start focusing on improving service delivery standards.

➤ **Financial Viability**

Council will adopt strict financial control mechanism to ensure the improvement of income levels through improved revenue collection .Strict credit control and implementation of debt collection strategies.

➤ **Policy and by-laws review**

Council will review all current policies and by-laws and amend them where appropriate to ensure the successful administration of the organisation.

➤ **Performance Management**

Council will ensure the development of a performance management system to ensure the gap between planning and implementation is bridged and that the organisation evolves into a high performance institution.

1.3.7 MTREF – MEDIUM Term Revenue and Expenditure

Municipalities are required to prepare 3 year operational and capital budgets referred to as the MTREF, Government Grants and subsidies are therefore also published for a three year period to provide municipalities with the necessary information for proper medium term planning.

SEE ATTACHED BUDGET SUMMARY

1.3.8 Key Budget Policies

Council reviews all budget related policies on an annual basis and amendments are to be tabled at an ordinary council meeting held 31 May 2012 .Policies that were reviewed are :

- Traffic Policy
- Indigent Policy
- Rates Policy
- Write-off bad debt policy
- Supply Chain Management Policy
- Banking and Investment Policy
- Budget Processes Policy
- Overtime Policy
- Consumer Policy
- Risk Management Policy
- Vehicle use Policy
- Cell phone Use Policy
- Vehement Policy

1.3.9 Local Government Turn-Around Strategy

During his state of the Nation Address the President of South Africa Highlighted critical areas that government needed to focus on in order to accelerate service delivery .Municipalities whom as foot soldiers on the implementation of theses priorities were afforded an opportunity to identify critical areas that needed attention prior to December 2010 .Magareng Municipality identified its critical areas to address namely:

- Supply of Water
- Maintenance of streets light and high Mast Lights
- Road Maintenance
- Refuse Removal
- Unblocking of the 16 houses Project

The constitutional objectives for local government are set out in section 152 of the constitution: these are to provide democratic and accountable government of local communities, and to ensure provision of services to communities in a sustainable manner .Promoting social and economic development pursuant to that promote a safe and healthy environment and subsequently encourage community involvement of communities and community organisations in the matters of local government.

These objectives have been in practise for nine years and every part of the country now falls under the jurisdiction of a municipality, with many communities experiencing local and democratic government for the first time within the last decade. A central challenge for the many new institutions of local government has been viably and ability to build strong organisations capable of delivering on the principle of section 53 of the constitution which states that:

“A municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community, and participate in national and provincial development programmes”

In order for the Council and Management of Magareng Municipality to comply with these requirements a comprehensive Turn-around Strategy was adopted by Council on 19 February 2010. This strategy addresses the following key priority turn-around focal areas:

- Basic Service Delivery:
- Public Participation:
- Improvements Governance in political and Management oversight:
- Improved Administration:
- Improved Labour Relation:
- Proper Financial Management : and
- Local Economic Development.

A number of priority municipal actions were identified and Management is required to report on a monthly and quarterly basis on a progress made with the implementation of the strategy. Provisions have been made in the draft operational budget to address a number of these actions.

1.1 2012/2013 BUDGET PROCESS

1.1.1 Political overview of the budget process

Section 53 (1) of the MFMA (no 56 of 2003) stipulates that the Mayor of a Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality spending plans. The following are required in terms of sections 53(1) and (3) of the Act.

The Mayor of the Municipality must-

1. (c) Take all reasonable steps to ensure –
 - I. That the municipality approves its annual budget before the start of the budget year.
 - II. That the municipality's service delivery and budget implementation plan is approved by the Mayor within 28 days after the approval of the budget and
 - III. That the annual performance agreement as required in terms of section 57(1)(b) of the Municipal Systems Act for the Municipal manager and all senior managers-
 - (aa) comply with this act in order to promote sound financial management

- (bb) Are linked to the measurable performance objective approved with the budget and to the service delivery and budget implementation and
- (cc) are concluded in accordance with section 57(2) of the Municipal Systems Act.

2. The mayor ensure-

- (a) That the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and
- (b) That the performance agreement of the municipal manager, senior managers and any other categories of officials as may be presented, are made public no later than 14 days after the approval of the municipality's service delivery and budgets implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

2.1.2 Budget Process

The IDP and budget development process is integrated, consisting and undertaken as part of a continuous cycle of planning, implementation and monitoring. In August 2010, the Magareng Municipality Council approved the IDP process Plan and Budget schedule, detailing the process for the IDP review and budget development for the 2011/2012 MTREF period. Throughout the budget process, public participation will be a common feature thereby engaging communities, civil society, groups and business.

2.1.7. Flow on the budget processes

There are basically three different processes in the budgeting cycle running at the same:

- Reporting on Previous year budget
- Current year budget implementation, and
- Preparation of the new financial year's budget (including the two following financial year estimates).

Reporting on Previous year budget

This is mainly done through the compilation of the Annual Financial Statement of the previous financial year, including the auditor-General's report. Another example is the different reporting formats to National and Provincial government on the previous year's budget and financial performance.

Current year budget implementation:

Implementation of the budget starts once the budget has been approved .An important document in the implementation of the budget is the service Delivery and budget implementation Plan (SDBIP), which sets out the service delivery targets and performance indicators for the financial year. The SDBIP must be approved within 28 days after the approval of the budget.

Another important aspect is the monitoring and reporting on the current year budget .According to Section 71 of the MFMA ,the accounting officer must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury statement on the state of the municipality 's budget .This will enable the Mayor to check if the approved budget is implemented in accordance with the SDBIP, consider revisions to the approved budget and identify any financial problems facing the municipality.

Preparation of the financial year's budget

There are six distinct steps to the preparation of the new financial year's budget

***Planning**

Schedule key dates, establish consultative forums, and review previous processes

***Strategy**

Review IDP, internal and external consultation ,set service delivery objectives for the next 3 year; consult on tariffs indigent ,credit control, free basic service, etc, consider local, provincial and national issues, consult previous year's performance and current economic and demographic trends

***Preparation**

Prepare revenue and expenditure projections, draft budget policies, consult and consider local, provincial and national priorities, measurement of past and current performance against the budget

***Tabling**

Table complete proposed budget, IDP revisions and budget related no later than 31 March (90 days before the start of the new budget year)before council, make public the soon as it has been tabled (via website, hard copies and electronic)consult with and consider formal local ,provincial and national inputs or responses.

***Approving**

After the Mayor has responded to recommendations and where necessary made revisions to the tabled budget, Full council must meet no later than 31st May (30 days before the start of the new budget year) to consider the budget for approval. Council approves the budget and related policies before 1 July. Should the municipality fail to approve a budget before the start of the budget year, The Mayor must inform the MEC for finance immediately.

***Finalisation**

Publish and approve SDBIP and annual performance agreements and indicators 28 days before the budget approval. A delegation policy of spending authority on budget votes is also critical for successful budget and monitoring and evaluation.

2.1.8 Schedule of key budget deadlines in terms of Section 21(1)(b) of the MFMA(Municipal Finance Management Act)

The Mayor must according to the MFMA co-ordinate the process for preparing the annual budget and for reviewing the municipality's IDP and budget –related policies. The Mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality ;s IDP , in council on the 30th of September 2010

The Approved schedule is set out below

MAGARENG MUNICIPALITY**2.1.8. Schedule of Key Budget Deadlines in terms of Section 21 (1)(b) of the MFMA (Municipal Finance Management Act)**

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the Municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP, in council on the 3th of August 2012.

The approved schedule is set out below:

	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	July 2011	<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	15-Jul-11
		<u>MFMA QUARTERLY SCM REPORTING</u> Submit quarterly report on Implementation of Supply Chain Management Policy.	SCM Reg 6 (3)(4)	CHIEF FINANCE OFFICER	29-Jul-11
		<u>MFMA QUARTERLY BUDGET REPORTING</u> Submit quarterly report for service delivery and budget implementation.	MFMA (S 52)	MAYOR	29-Jul-11
		<u>MFMA ANNUAL SCM REPORTING</u> Submit annual report on implementation of the supply chain management policy to the mayor and make the report public.	SCM Reg 6 (2)	CHIEF FINANCE OFFICER	29-Jul-11

		<u>OPCAR REPORTING</u> Submit progress report on 2008/2009 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	29-Jul-11
		<u>LGTAS REPORTING</u> Submit progress report on Local Government Turn-Around Strategy to Council		MUNICIPAL MANAGER AND ALL HOD'S	29-Jul-11
		<u>MTREF AND EVALUATION CHECKLIST</u> Planning for next three-year budget in accordance with co-ordinated role of budget process (included is previous year review of budget process and the budget, and completion of budget evaluation checklist)	MFMA (S 53)	MAYOR	29-Jul-11
		<u>PLANNING</u> Planning for next three-year budget; Establishment of internal and external budget consultation forums; and Establish processes and identify strategies for IDP and Budget Development.	MFMA (S 68) AND (S 77)	MUNICIPAL MANAGER AND SENIOR OFFICIALS	29-Jul-11
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	July 2011	<u>SDBIPS & SECTION 57 CONTRACTS</u> Signing of performance contracts for service delivery.	MFMA (S 77 - 81) MSA (S56 - 57)	MUNICIPAL MANAGER AND SENIOR OFFICIALS	29-Jul-11
		<u>MFMA IMPLEMENTATION PRIORITIES</u> Complete Quarterly MFMA Implementation Priorities Checklist and submit to National Treasury.	NT Circular 38	CHIEF FINANCE OFFICER	29-Jul-11

August 2011	<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	12-Aug-11
	<u>PREPARATION SCHEDULE OF KEY DEADLINES</u> Preparation of time schedule outlining key deadlines for preparing, tabling and approval of the budget and the review of the IDP.	MFMA (S 21) MSA (S 34)	MUNICIPAL MANAGER	19-Aug-11
	<u>OPCAR REPORTING</u> Submit progress report on 2008/2009 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	31-Aug-11
	<u>LGTAS REPORTING</u> Submit progress report on Local Government Turn-Around Strategy to Council		MUNICIPAL MANAGER AND ALL HOD'S	31-Aug-11
	<u>TABLING KEY DEADLINES</u> Tabling of time schedule outlining key deadlines for preparing, tabling and approval of the budget and the review of the IDP.	MFMA (S 21) MSA (S 34)	MAYOR AND COUNCIL	31-Aug-11
	<u>AFS</u> Submission of AFS to Auditor-General for the year ended 30 June 2010.	MFMA (S 122 & 126)	MUNICIPAL MANAGER	31-Aug-11
September 2011	<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	16-Sep-11
	<u>IDP REVIEW</u> Processes are reviewed to determine strategic objectives for service delivery and development for next three year budgets, including review of Provincial and National government sector and sector strategic plans.	MFMA (S 34) MSA (S 21)	COUNCIL	16-Sep-11

	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	September 2011	<u>DETERMINATION OF REVENUE PROJECTIONS</u> Revenue projections of proposed rates, service charges and draft the initial allocations to functions and departments for the next financial year after taking into account strategic objectives.		CHIEF FINANCE OFFICER	30-Sep-11
		<u>OPCAR REPORTING</u> Submit progress report on 2008/2009 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	30-Sep-11
		<u>LGTAS REPORTING</u> Submit progress report on Local Government Turn-Around Strategy to Council		MUNICIPAL MANAGER AND ALL HOD'S	30-Sep-11
		<u>ENGAGEMENT OF NATIONAL AND PROVINCIAL TREASURIES</u> Consultations with sector departments on sector specific programmes for alignment with municipalities plans (i.e. schools, libraries, clinics, water, electricity, roads etc)		CHIEF FINANCE OFFICER	30-Sep-11
		<u>ENGAGEMENT OF MUNICIPAL DEPARTMENTS</u> Initial review of national policies and budget plans and potential increases of bulk resources with functional and departmental officials.	MFMA (S 35,36 & 42)	MUNICIPAL MANAGER	30-Sep-11

		<u>ADJUSTMENT BUDGET GUIDELINES</u>			
		Issue guidelines to various departments for the preparation of the 2010/2011 adjusted budget .	MFMA (S 28)	CHIEF FINANCE OFFICER	30-Sep-11
October 2011		<u>BUDGET AND IDP STEERING COMMITTEE MEETING</u> Mayor establishes committees and consultation forums for the budget process.	GUIDE TO CLLRS PAGE 62 & 63	MAYOR	7-Oct-11
		<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	14-Oct-11
		<u>MFMA QUARTERLY SCM REPORTING</u> Submit quarterly report on Implementation of Supply Chain Management Policy.	SCM Reg 6 (3)(4)	CHIEF FINANCE OFFICER	28-Oct-11
		<u>MFMA QUARTERLY BUDGET REPORTING</u> Submit quarterly report for service delivery and budget implementation.	MFMA (S 52)	MAYOR	28-Oct-11
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
October 2011		<u>PRIMARY BANK ACCOUNT</u> Table before Council quarterly report of all withdrawals from primary bank account.	MFMA (S11 4(a)(b))	MUNICIPAL MANAGER	28-Oct-11
		<u>MFMA PRIORITIES</u> Quarterly completion and submission of MFMA implementation priorities.	Circular 38 and MFMA (S 52(d))	MUNICIPAL MANAGER	28-Oct-11
		<u>OPCAR REPORTING</u> Submit progress report on 2008/2009 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	28-Oct-11
		<u>LGTAS REPORTING</u>		MUNICIPAL	28-Oct-11

		Submit progress report on Local Government Turn-Around Strategy to Council		MANAGER AND ALL HOD'S	
		<u>POLICIES AND CONSULTATIONS</u> Review of budget related policies and consultation process.	MFMA (S 21,22 & 23)	MAYOR AND COUNCIL	28-Oct-11
		<u>ADJUSTMENT BUDGET INPUTS</u> The budget office receive the inputs from various departments for the 2010/2011 adjustment budget.	MFMA (S 28)	VARIOUS HEADS OF DEPARTMENTS	28-Oct-11
November 2010		<u>GUIDELINES FOR 2010/2011 BUDGET</u> Budget guidelines are issued to various departments for the preparation of 2010/2011 budget.	MFMA (S 21)	MUNICIPAL MANAGER	4-Nov-11
		<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	11-Nov-11
		<u>IMBIZO MONTH</u> Consultation meetings with communities and sector departments regarding the budget and IDP for the 2010/2011 financial year.	MFMA (S 23) MSA (CHAP 4)	MAYOR	15-18 Nov-11
		<u>REVIEW DRAFT IDP</u> Review and draft initial changes to the IDP	MSA (S 34)	MUNICIPAL MANAGER	30-Nov-11
		<u>IDP ASSESSMENT (PHASE 1)</u> Assess the extend of the previous year IDP implementation processes and implement corrective measures.	MSA (CHAP 5)	MUNICIPAL MANAGER	30-Nov-11

	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	November 2011	<u>OPCAR REPORTING</u> Submit progress report on 2008/2009 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	30-Nov-11
		<u>LGTAS REPORTING</u> Submit progress report on Local Government Turn-Around Strategy to Council		MUNICIPAL MANAGER AND ALL HOD'S	30-Nov-11
	December 2011	<u>MTREF 2011/2012 INPUTS</u> Budget office receive 2011/2012 budget inputs from various directorates. Inputs are considered and to seek clarities.	MFMA (S 21)	VARIOUS HEADS OF DEPARTMENTS	9-Dec-11
		<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	9-Dec-11
		<u>BUDGET PLANS</u> Preparation of proposed budget and plans for 2011/2012 taking into consideration the previous 2009/2010 performance as per Audited Financial Statements and comments from National and Provincial Treasuries.	MFMA (S 21)	MUNICIPAL MANAGER AND VARIOUS HEADS OF DEPARTMENTS	10-Dec-11
	January 2012	<u>OPCAR REPORTING</u> Submit progress report on 2008/2009 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	13-Jan-12
		<u>LGTAS REPORTING</u> Submit progress report on Local Government Turn-Around Strategy to Council		MUNICIPAL MANAGER AND ALL HOD'S	13-Jan-12
		<u>MFMA REPORTING</u>	MFMA (S 71)	CHIEF FINANCE	13-Jan-12

		Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury		OFFICER	
		<u>MID YEAR BUDGET ASSESSMENT 2010/2011</u> Assessment is made for half year (the first six months) regarding the performance of the municipality.	MFMA (S 72(1)(b))	MUNICIPAL MANAGER AND CFO	20-Jan-12
		<u>PERFORMANCE ASSESSMENT</u> Tabling of mid-year performance assessment before Council for consideration.	MFMA (S 72)	MAYOR	27-Jan-12
		<u>TABLING ANNUAL REPORT</u> Tabling of 2009/2010 Annual Report before Council.	MFMA (S 127(2))	MAYOR	31-Jan-12
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	January 2012	<u>OVERSIGHT COMMITTEE</u> Establishment task team to handle annual report and compile oversight report.	MFMA (S 129)	MAYOR AND COUNCIL	31-Jan-12
		<u>MFMA QUARTERLY SCM REPORTING</u> Submit quarterly report on Implementation of Supply Chain Management Policy.	SCM Reg 6 (3)(4)	CHIEF FINANCE OFFICER	31-Jan-12
		<u>MFMA QUARTERLY BUDGET REPORTING</u> Submit quarterly report for service delivery and budget implementation.	MFMA (S 52)	MAYOR	31-Jan-12
		<u>PRIMARY BANK ACCOUNT</u> Table before Council quarterly report of all withdrawals from primary bank account.	MFMA (S11 4(a)(b))	MUNICIPAL MANAGER	31-Jan-12

		<u>MFMA PRIORITIES</u>			
		Quarterly completion and submission of MFMA implementation priorities.	Circular 38 and MFMA (S 52(d))	MUNICIPAL MANAGER	31-Jan-12
		<u>MTREF ALLOCATIONS</u>			
		Allocations from National and Provincial Governments and District Municipality are reviewed for incorporation into the 2011/2012 draft budget for tabling.	MFMA (S 36)	MUNICIPAL MANAGER AND CFO	31-Jan-12
	February 2012	<u>SUBMISSION OF ANNUAL REPORT</u>			
		Submission of Annual Report to Auditor-General (AG), Provincial and National Treasuries (PT & NT) as well as the Department of Housing and Local Government (DHLG)	MFMA (S 127(5))	MUNICIPAL MANAGER	3-Feb-12
		<u>PUBLICATION OF ANNUAL REPORT</u>			
		Annual Report is published for public comments and representations.	MFMA (S 127(5))	MUNICIPAL MANAGER	3-Feb-12
		<u>MFMA REPORTING</u>			
		Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	10-Feb-12
		<u>ADJUSTMENT BUDGET</u>			
		Tabling of adjustment budget and considering half yearly actual and projections.	MFMA (S 28)	MAYOR	24-Feb-12
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	February 2012	<u>TARIFFS</u>			
		Finalization of tariffs (rates and service charges) policies for the 2010/2011	MSA (S 74 & 75)	COUNCIL	24-Feb-12

		financial year.			
		<u>NATIONAL AND PROVINCIAL CONSULTATIONS</u> Consult with National & Provincial Treasuries, District Council, DWAF and Eskom to finalize plans for water, sanitation and electricity etc.(Sector Plans).	MFMA (S 21(2))	MAYOR	24-Feb-12
		<u>OPCAR REPORTING</u> Submit progress report on 2009/2010 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	24-Feb-12
	March 2012	<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	9-Mar-12
		<u>OVERSIGHT REPORT</u> Adoption of oversight report and comments on 2009/2010 Annual Report. Publication of oversight report.	MFMA (129) AND MSA (21)	MUNICIPAL MANAGER	30-Mar-12
		<u>OPCAR REPORTING</u> Submit progress report on 2009/2010 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	30-Mar-12
		<u>MTREF TABLING</u> The Draft Annual Budget for 2011/2012 to 2013/2014 for revenue and expenditure, Budget plans from directors, Table A1 to A10, and all supporting documentation as required by Gazette 32141 are tabled to council for noting. This includes the budget resolution and the proposed revisions to the IDP.	MFMA (S 16,22 & 23) MSA (CHAP 4)	MAYOR	30-Mar-12

		<u>REVIEW OF PRICES</u> Prices of bulk resources are reviewed and changes noted.	MFMA (S 42)	MUNICIPAL MANAGER	30-Mar-12
Ápril 2012		<u>PUBLICATION AND SUBMISSIONS</u> Publications of tabled Budgets, Resolutions, Plans and proposed revisions to IDP and invite local community to comment, and submission to National and Provincial Treasuries and other forums to submit comments (21 days for inputs).	MFMA (S 22 & 27) MSA (CHAP 4)	MUNICIPAL MANAGER	6-Apr-12
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
Ápril 2012		<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	13-Apr-12
		<u>IMBIZO MONTH</u> Series of consultations in various wards through IMBIZOS to inform constituents of the 2011/2012 Budget and IDP.	MFMA (S 23) MSA (CHAP 4)	MAYOR	11 - 17 Apr- 12
		<u>REVISING BUDGET DOCUMENTS</u> Revision of budget documents in accordance with consultative processes and taking into account the results from National and Provincial Treasuries, public comments as well as the third quarterly review of current year.	MFMA (S 21)	MUNICIPAL MANAGER	27-Apr-12
		<u>MFMA QUARTERLY SCM REPORTING</u> Submit quarterly report on Implementation of Supply Chain Management	SCM Reg 6 (3)(4)	CHIEF FINANCE OFFICER	27-Apr-12

		Policy.			
		<u>MFMA QUARTERLY BUDGET REPORTING</u> Submit quarterly report for service delivery and budget implementation.	MFMA (S 52)	MAYOR	27-Apr-12
		<u>PRIMARY BANK ACCOUNT</u> Table before Council quarterly report of all withdrawals from primary bank account.	MFMA (S11 4(a)(b))	MUNICIPAL MANAGER	27-Apr-12
		<u>MFMA PRIORITIES</u> Quarterly completion and submission of MFMA implementation priorities.	Circular 38 and MFMA (S 52(d))	MUNICIPAL MANAGER	27-Apr-12
		<u>OPCAR REPORTING</u> Submit progress report on 2009/2010 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	27-Apr-12
May 2012		<u>CONSOLIDATION OF INPUTS FROM STAKEHOLDERS</u> The final views of public, National & Provincial Treasuries and other organs of state are consolidated. The Mayor is provided the opportunity to respond to submissions from consultations and to table amendments to council for consideration.	MFMA (S 23 & 24) MSA (CHAP 4)	MAYOR	4-May-12
		<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	11-May-12
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
May 2012		<u>FINAL MTREF</u> Preparation of the final budget documentation for consideration for approval at least 30 days before the start of the budget year (1 July 2011 - 30 June 2012)	MFMA (S 23)	MUNICIPAL MANAGER	18-May-12

		taking into other new information of material nature.			
		<u>OPCAR REPORTING</u> Submit progress report on 2009/2010 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	18-May-12
		<u>APPROVAL OF THE BUDGET AND IDP</u> Council approves annual budget, resolutions, setting of taxes and tariffs. Council approves changes to IDP and measurement of performance objectives for revenues by source and expenditure by vote.	MFMA (S 16,24,26 AND 53)	COUNCIL	31-May-12
	June 2012	<u>PUBLICATION OF BUDGET AND IDP</u> The adopted budget, IDP and plans are published.	MFMA (S 75 & 87)	MUNICIPAL MANAGER	1-Jun-12
		<u>MFMA REPORTING</u> Submit Monthly report on the budget to the Mayor, Accounting Officer, Provincial and National Treasury	MFMA (S 71)	CHIEF FINANCE OFFICER	8-Jun-12
		<u>SDBIP</u> Submission to the mayor no later than 14 days after the approval of the budget a draft of the SDBIP'S and annual performance agreements required by sections 57 (1)(b) of MSA.	MFMA (S 69) MSA (S 57(1))	MUNICIPAL MANAGER	15-Jun-12
		<u>APPROVAL OF THE SDBIP'S</u> Approval of SDBIP's 28 days after final approval of the budget and to ascertain that annual performance contracts are concluded in accordance of section 57(2)	MFMA (S 53) MSA (S 38 - 45 & 57(2))	MAYOR	29-Jun-12

		of MSA. It must be ensured that annual performance agreements are linked to measurable performance objectives approved with the budget.			
		<u>DELEGATIONS</u> System of delegation is reviewed and any changes are approved by council.	MFMA (S 59,79 & 72) MSA (S 59 - 65)	MAYOR	29-Jun-12
	<i>PERIOD</i>	<i>ACTIVITY</i>	<i>REF</i>	<i>RESPONSIBILITY</i>	<i>TARGET DATE</i>
	June 2012	<u>OPCAR REPORTING</u> Submit progress report on 2009/2010 Audit Action Plan to Council		MUNICIPAL MANAGER AND ALL HOD'S	29-Jun-12
	July 2012	<u>SUBMISSION OF SDBIP'S</u> The approved SDBIP's and performance agreements are submitted to MEC for Local government and are published within 14 days after approval.	MFMA (S 53) MSA (S 38 - 45 & 57(2))	MUNICIPAL MANAGER	13-Jul-12

2.5 ALIGNMENT OF BUDGET WITH INTERGRATED DEVELOPMENT PLAN**2.5.1 Introduction**

Integrated development planning in the South African context is amongst others an approved to planning aimed at involving the municipality and the community to jointly find the best solution towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

The IDP is for the result of a number of planning of planning processes and compromise of a five year period which correlates to the term of the political incumbents.

2.5.2 Strategy Focus Areas

In order for the municipality to achieve the required deliverables, a proper assessment was done on the service delivery capacity of the municipality. From this assessment a number of restructuring strategies was adopted to assist in the improvements of the service delivery. A short summary of this strategy follows:

- **Institutional Restructuring**
A new organisation structure was development was development to consolidate management and to focus effective an efficient service delivery.
- **Community and development focused delivery**
An action plan was developed to ensure that communication both internally and improved and that the ward committees start to act more pro-actively.
- **Skills development and employment equity**
The municipality will ensure that institutional capacity is improved and that critical positions such as electrician are filled as soon as possible.
- **Citizen Focused Delivery**
Council have resolved to decrease the number of meetings and start focusing on service delivery standards.
- **Financial Viability**
Council will adopt strict financial control mechanisms to ensure the improvement of levels through improved revenue collection, strict credit control and implementation of collection standards.

2.4 2011/2012 BUDGET ASSUMPTIONS

Budget assumptions /parameters are determined in advance of the budget process to allow budget to be constructed to support the achievement of the longer-term financial strategic targets.

The municipal fiscal budget is influenced but a variety of macro economic control measures. National Treasury provides guidelines on the ceiling of year –on-year increase in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates electricity tariff municipality service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets in relation to the key strategic focus areas as determined in the IDP.
- The level of priority rates and tariffs increase to take into account the need to address maintenance and infrastructure backlogs, including the expansion of services.
- An assessment of the relative capacity to implement the budget.
- No budget allocation to be made to programmes and projects ,unless the respective programme and project plans are submitted by the relevant HOD'S and
- The need to enhance the municipality's revenue base.

1.4 Municipal manager's quality certificate

I, municipal manager of MAGARENG LOCAL MUNICIPALITY, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of MAGARENG LOCAL MUNICIPALITY